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By Philip Taubman

William J. Casey, the Director of Central Intelligence, sat at the end of the mahogany conference table in his office. Outside, the late afternoon sun played across the trees that ring the Central Intelligence Agency's headquarters in northern Virginia, filling the windows with a fresco of autumn colors. A short stack of documents, some stamped SECRET, rested at Mr. Casey's left elbow, and a yellow legal pad on which he had penciled several notes was positioned to his right.

"The reason I am here is because I have a lot of relevant experience and a good track record," Mr. Casey said, alluding to comments that he was unqualified for the job and had been appointed only because he was Ronald Reagan's campaign manager. Mr. Casey, an imperious and proud man, had been fuming over the criticism for months, according to his friends, and now, in his first comprehensive interview since taking office, he wanted to set the record straight.

He flipped through the papers and extracted a yellowing clipping from The New York Times that extolled his record as chairman of the Securities and Exchange Commission from 1971 to 1973. Next, he provided several pages copied from a book about Allied intelligence operations during World War II; he had underlined a glowing assessment of his contribution to the Office of Strategic Services. The final clipping was a story that appeared in The Washington Star in the summer of 1980, describing Mr. Casey's role as Reagan campaign director. The headline: "Casey, the Take-Charge Boss."

It was an oddly defensive performance for a man who, according to classified budget figures provided by Government officials, is overseeing the biggest peacetime buildup in the American intelligence community since the early 1950's. Because intelligence expenditures are secret, it is not widely known that at a moment when the Reagan Administration is forcing most Government agencies to retrench, the C.I.A. and its fellow intelligence organizations are enjoying boom times. Even the military services, which have been favored with substantial budget increases, lag well behind in terms of percentage growth, although military-run intelligence agencies are growing almost as quickly as the C.I.A. Spending figures for intelligence agencies, including the C.I.A., are hidden within the Defense Department's budget. With a budget increase for the 1983 fiscal year of 25 percent, not allowing for inflation, compared with 18 percent for the Defense Department, the C.I.A. is the fastest growing major agency in the Federal Government, according to Administration budget officials.

intentions, integrity
and capabilities.